



Albalact reports growth in the first quarter of 2014, too

Bucharest, 8 May 2014

Albalact ended the first three months of 2014 with a turnover of RON 112,713,462, 10.03% more than in the same period of the previous year.

In the same first quarter of this year, the company obtained a net profit of RON 11,482,164, of which RON 7,176,134 is the profit from exceptional activities, that is the transfer of the logistics business from Albalact SA to the new company Albalact Logistic SRL owned 100% by Albalact SA.

The balance of RON 4,306,030 represents the net profit of the company obtained from the core business, that is dairy processing and sale, which net profit is 60.3% higher than that obtained in the first three months of 2013.

The company announces that, further to the share redemption programme approved by Decision of the Extraordinary General Meeting of Shareholders of 24 November 2013, it redeemed as many as 21,499,696 own shares before 31 March 2014, accounting for 3.294% of the share capital. The shares are to be canceled, subject to the shareholders' approval, so that the share capital would be reduced.

This year, Albalact aims to resume the merger with Rarăul, further to the shareholders' principle approval of the merger by Albalact absorbing Rarăul. Albalact currently holds 99.01% of the share capital of Rarăul, the latter being acquired by the first in 2008 and invested in year after year. The merger between Albalact and Rarăul, a must for development of an efficient integrated management, was delayed in 2010 in order not to affect the eligibility of the SAPARD funded projects contracted by both companies and under performance then.

Albalact shareholders further approved, in the General Meeting of April, also commencement of the negotiations with potential investors for partial or total transfer of SC Albalact Logistics SRL, a company established last year and which took over the logistic activity of the company.

Albalact, one of the largest Romanian dairy procedures, remains, with Zuzu, the leader in the pasteurized milk segment, as well as the leader in the total milk segment (UHT milk and pasteurized milk). Albalact is leading the market also in the table butter segment, with its namesake brand De Albalact, and the sour cream segment, again with De Albalact. With Rarăul, the company climbed as high as the second place in the classification of cottage cheese producers.





Zuzu Bifidus Snack is the most important recent project of the company, and comes to complete the yogurt portfolio of Zuzu brand. Zuzu Bifidus Snack is a balanced combination of probiotic yogurt with a mix of cereals, fruits and seeds, and meets halfway the consumers which are in pursuit of a healthy diet. Zuzu Bifidus Snack is an innovation for this market category supported by the unique combination of cereals and fruits, such as the mix of goji with raisins and cowberry, or the mix of oat flakes and seed (flax, pumpkin and sun-flower).

In the same yogurt category, Albalact further developed Poiana Florilor brand (a younger brand of the portfolio), with a range of fruit-flavored yogurts in smaller SKUs, that is 100 grams.

Albalact saw other important changes taking place this year. Zuzu went through a new rebranding phase, with minor design and packaging changes, to consolidate the brand identity and render it more visible at the shelf. All packages were redrawn in the lively, fresh, simple and natural Zuzu style. New developments were seen also in recipes, with enhanced formulas in particular for the fruity yogurt.

Albalact - Alba Iulia is the largest company with majority domestic capital in the industry. Established back in 1971, Albalact was converted into a joint-stock company in 1990, and later on privatized in 1999. Albalact has more than 900 employees and 6,000 stock holders, and is listed in Rasdaq category of the Bucharest Stock Exchange. Albalact also holds 99.01% of the stock of Rarăul Campulung Moldovenesc. Albalact markets fresh pasteurized and UHT products under its brands **Fulga, Zuzu, Fruzu, Rarăul, De Albalact** and **Poiana Florilor**.

